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ABSTRACT

The programs and policies of the Agency for International Development (AID) in administering American foreign aid are briefly described in this booklet. Short introductory sections discuss the reasons for foreign aid, the interdependence of today's world, and the history of American foreign aid since World War II. The remaining parts of the booklet focus on the activities of the agency in administering foreign aid: food and nutrition, population planning and health, education and human resources, disaster relief, food for peace, assistance with private and voluntary organizations, cooperatives, participant training, international assistance coordination, working relationships with other government agencies, and research. Useful maps, graphs, and charts of population growth and food production are included. (DE)

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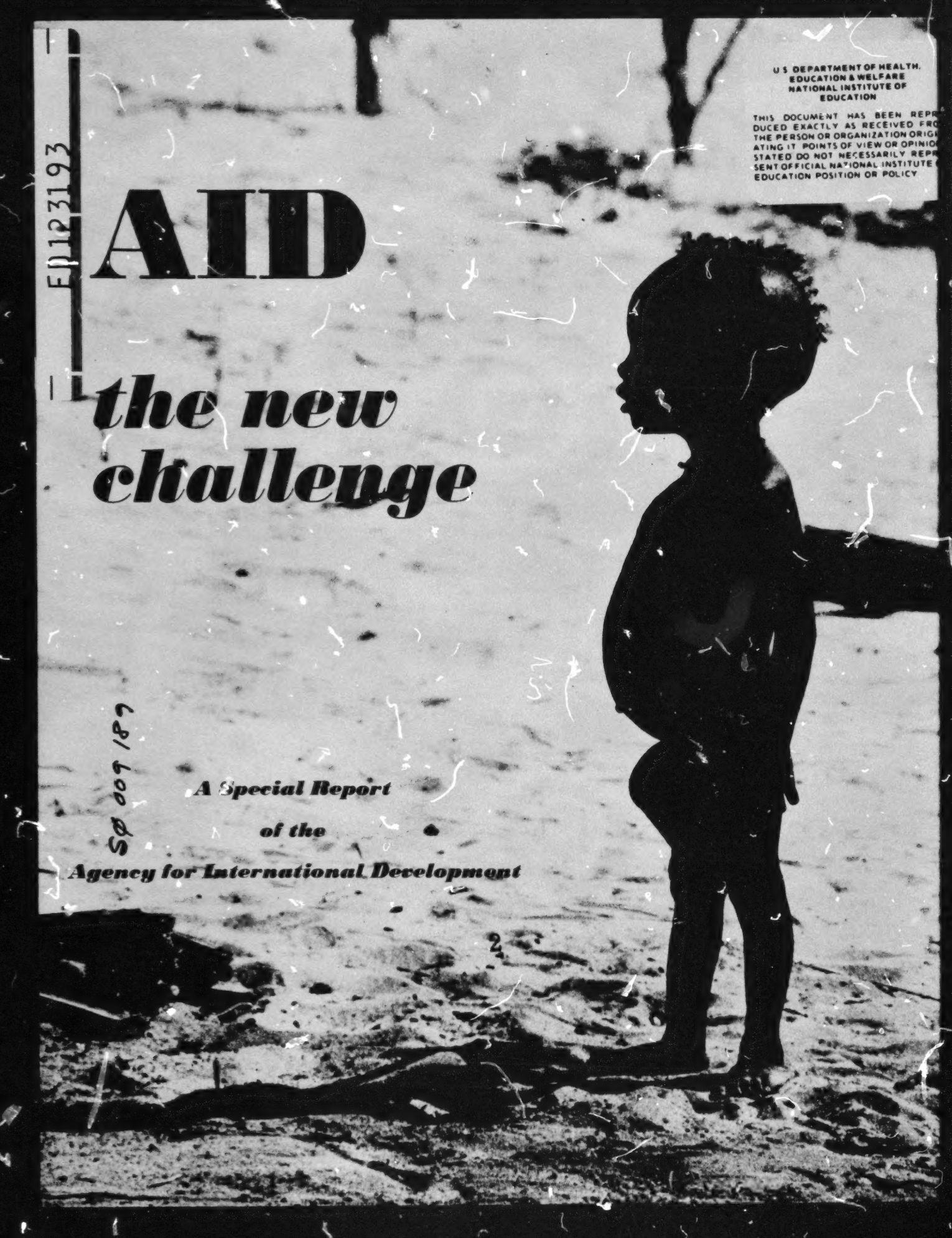
# AID

# the new challenge



SP 009 187

*A Special Report*

*of the*

*Agency for International Development*

**President Harry S. Truman**

*"I believe that we should make available to peace loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life."*

**President Dwight D. Eisenhower**

*"The achievement of a peace which is just depends upon promoting a rate of world economic progress, particularly among the peoples of the less developed nations, which will inspire hope for fulfillment of their aspirations."*

**President John F. Kennedy**

*"To those people in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves . . . not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."*

**President Lyndon B. Johnson**

*"The incessant cycle of hunger, ignorance and disease is the common blight of the developing world. This vicious pattern can be broken. It must be broken if democracy is to survive."*

**President Richard M. Nixon**

*"I believe most earnestly that the developed nations of the world cannot long prosper in a world dominated by poverty and that improvement in the quality of life for all peoples enhances the prospects of peace for all peoples."*

**President Gerald R. Ford**

*"However difficult our own economic situation, we recognize that the plight of others is worse . . . A world of economic confrontation cannot be a world of political cooperation. If we fail to satisfy man's fundamental needs for energy and food, we face a threat, not just to our aspirations for a better life for all our peoples, but to our hopes for a more stable and a more peaceful world."*

# WHY FOREIGN AID

- **A child in Latin America learns to read . . .**
- **A farmer in Asia grows more rice . . .**
- **A family in Africa is protected against measles . . .**

These are some of the ways in which foreign aid is helping people help themselves—helping to improve the quality of their lives.

The people are the millions who live in huts and villages in the developing countries where poverty, illiteracy, hunger and disease are widespread.

They belong to half of the globe that is struggling to be free of mass misery. And because they belong to humanity, they are the concern of all Americans.

Programs to assist people in the developing countries are an expression of the American people's sense of justice and compassion. But foreign aid also plays an important role in the continuing effort to achieve what enlightened U.S. self-interest requires—an enduring structure of world peace. This role, though essential to the quest for global tranquility, freedom and progress, is limited, especially as a political lever. Experience has shown that foreign aid cannot right all wrongs or solve every problem in a developing country. It should be considered, therefore, as a complement to other elements of foreign policy.

Congress has defined the role of foreign aid this way:

"The freedom, security and prosperity of the United States are best sustained in a community of free, secure and prospering nations. Ignorance, want and despair breed the extremism and violence which lead to aggression and subversion."

Since foreign assistance programs began, it has been U.S. policy, as Congress has stated, "to assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political, and social institutions which will meet their aspirations for a better life, with freedom, and in peace."

## *Interdependence in Today's World*

A recent Presidential message to Congress noted that assistance to the developing countries is "an indispensable element" of our foreign policy, especially at this critical and challenging time in history.

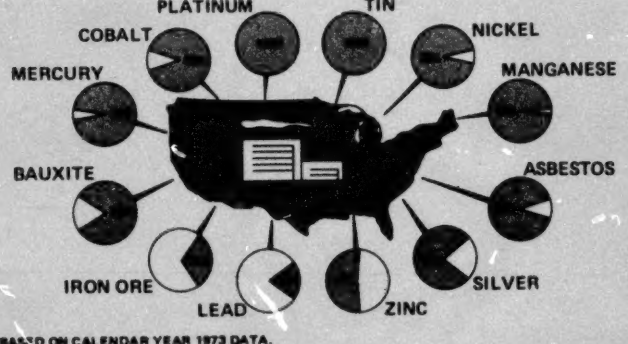
—Critical, because what the United States does, or fails to do, in the rapidly changing world of today can have a profound effect on our nation's welfare, and that of millions of people who aspire to peace, freedom and a better life.

—Challenging, because, as the world approaches the last quarter of the 20th Century, the United States is destined to play a leading role in determining what kind of a world the children of today, and the children of tomorrow, will face in the next century.

The need also is dramatized by recent world developments which have demonstrated, as never before, how interdependent are the people who live on this planet. For example, the 1973 war in the Middle East, although confined to a relatively small area of the globe, affected the whole world. Motorists in the United States were forced to wait in line for gasoline; farmers in Asia faced a shortage of fertilizer for their rice and wheat crops; prices of commodities in Africa soared because of increased fuel costs; in Latin America the encouraging tempo of economic progress in most countries slowed down.

The United States, like every other nation, depends in some degree on the world economy to obtain basic resources and to provide markets. For example, the United States now imports between 50 percent and 100 percent of many minerals, including silver, cobalt, bauxite, tin, nickel, manganese, asbestos, platinum, mercury and zinc. We also import substantial amounts of iron ore and lead. Many of these minerals come from developing countries.

INTERDEPENDENCE FOR U.S. INDUSTRY




BASED ON CALENDAR YEAR 1973 DATA.

*Raw materials from abroad are essential to U.S. industry. Many come from the developing countries.*

*All charts prepared by Statistics and Reports Division, AID.*

Another measure of interdependence is export m kets—30 percent of U.S. exports go to developi countries.

In addition, U.S. private investment in the devel ing countries is now more than $28 billion. The int national monetary system and the environment ( cluding the oceans and outer space) are other ar where our well-being is closely related to our ties w both developed and developing nations.

Secretary of State Henry Kissinger has pointed o that growing global interdependence demands im inative and innovative leadership. "The old formu and the old justifications will not suffice," he said.

The theme of interdependence was underscored President Ford in his first address to the United N tions General Assembly. "We need new approache he declared, "to international cooperation to respo effectively to the problems that we face. Developi and developed countries—we are all part of one int dependent economic system."

## *Aid in Perspective*

To put approaches needed for this era in persp tive, it may be useful to review briefly the nature a background of U.S. foreign economic aid, once describ as "an American invention."

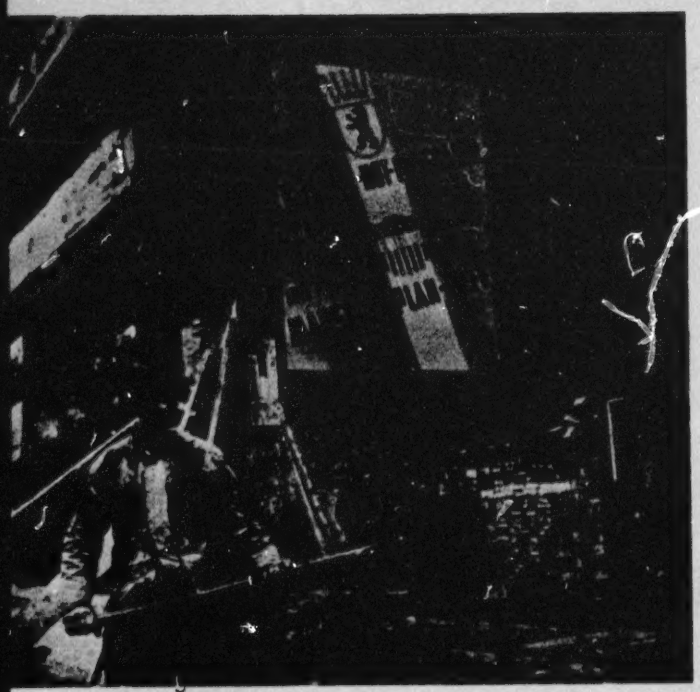
What is this "invention"?

Broadly speaking, foreign assistance is the tra fer of food, manufactures, expert services, techn ogy and other resources in the form of grants or lo term low-interest loans.

Grant aid is used to support research, both with the United States and in developing countries, p vide immediate emergency assistance, often in the c of natural or other disasters, and support speci development efforts where other financing is unava able. Loans provide financing for programs that fo on key sectors of a country's economy such as agricultu education or rural development. They are interest-be ing and repayable in dollars.

Such economic aid, as an instrument of forei policy, can be traced back to the postwar World W II period—to the Marshall Plan, proposed in 19 Even earlier, the Institute of Inter-American Affa established in the 1940s; UNRRA activities, and as tance to Greece and Turkey after World War II h provided precedents and experience in U.S. overs assistance.

"Point IV", the innovative idea to provide techni assistance to developing countries, was proposed President Truman in 1949. The Food for Peace A aimed at using America's agricultural abundance assist other countries, was passed by Congress in 19



*The Marshall Plan, a wide-ranging program, helped Europe recover from the destruction of World War II.*

In the late '50s, the Development Loan program took shape.

In 1961, Congress established the Agency for International Development to consolidate and administer the various activities and agencies. AID does not, however, administer the military assistance programs, which are the responsibility of the Department of Defense. Funds for AID are authorized and appropriated by Congress. This legislation also contains financing for military assistance. Funds for Food for Peace, the Peace Corps and contributions to international financial institutions, which also constitute foreign economic assistance, are provided by separate legislation.

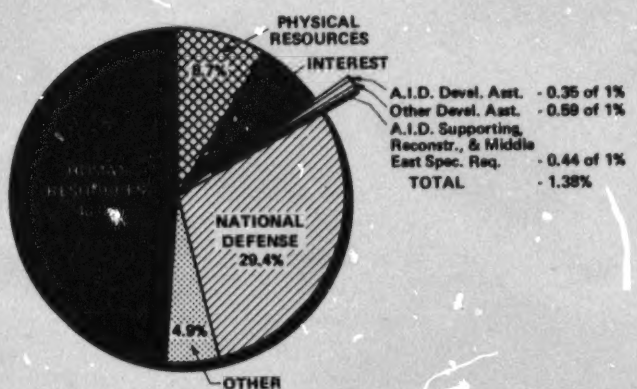
Twenty-five years ago, the United States was the only nation providing economic assistance as a national policy. Today, virtually all developed nations—and some that are still developing—provide aid of various kinds.

Over the past 25 years, U.S. foreign aid programs have enabled millions of persons around the world to make productive use of American food, technology, materials and services. The Marshall Plan, unprecedented in world history, restored a war-ravaged Europe. "Point IV" brought new ideas and technology to people hitherto unable to benefit from advances made in health, agriculture and education.

Even in those developing countries rich in natural resources, technical assistance is still required to develop national expertise for meeting the basic requirements of the great majority of the population in health care, education, and food. Indonesia, for example, which possesses valuable mineral resources, including oil, has been hard pressed to produce enough food to feed its population. In cooperation with other agricultural experts, AID technicians have helped introduce high yielding varieties of rice and provided guidance on the use of fertilizers and pesticides to increase food production and improve nutrition.

This technical assistance, along with development loans, participant training, research funding, contributions to international institutions, support for voluntary agencies and cooperation with other government agencies helped in the economic and social progress of such countries as Taiwan, Iran, Turkey, Greece, Israel, Brazil, and Venezuela. Some of these countries have in effect become aid "graduates" no longer needing external assistance on concessional terms to maintain viable, growing economies. In Taiwan, which received substantial U.S. economic assistance up to 1965 when the AID program ended, Gross National Product increased more than four times in a 20-year span, and real per capita income rose 250 percent over the same period. Taiwan's exports have soared, making it one of the top trading nations in Asia and U.S. exports to the island nation jumped from a largely U.S.-financed $100 million in 1960 to $600 million a decade later. Social progress has followed too: literacy is estimated at 85 percent; the infant mortality rate is close to that of the United States.

FOREIGN AID AND THE U.S. BUDGET




BASED ON RECOMMENDED BUDGET AUTHORITY.

*Foreign economic assistance comprises a small part of the federal budget in a typical fiscal year.*

In recent years, the annual cost to the United States of foreign aid has amounted to slightly more than one cent of the national budget dollar. Among the leading 17 non-Communist countries providing aid, the United States stands 14th in the amount of aid provided in relation to Gross National Product. Foreign aid accounts for less than one-quarter of 1 percent of the GNP—considerably less than what the American people spend for alcoholic beverages, pet foods, cosmetics and toilet articles.

The developing countries—the so-called Third World—number more than 100. Some 70 or more are comparatively new nations, having gained independence only a few years after the end of World War II. They contain three-fourths of the world's total population.

A few statistics portray what "life" is like in the developing countries:

- From 400 million to 800 million people suffer from malnutrition;
- Average per capita income is less than $275 annually; it is $4,050 in the developed world;
- Life expectancy is 53 years compared to 73 years in the developed countries;
- More than half the population have never been to school;
- Nearly 40 percent of the children will not reach the age of five.

Despite these problems, the economies of the developing countries in the past 10 years have grown at the relatively rapid rate of 6 percent per year, thanks in part to foreign aid. Manufacturing output has increased by 100 percent; food production rose by one-third; the number of schools has doubled.

However, uncontrolled population growth, along with increased demand, inflation and the energy shortages, has wiped out these gains in many countries. This rapid expansion is hampering the ability of these nations to feed their people, educate their children, combat disease, and provide jobs.

*Afghanistan's Helmand Valley is one of the agricultural a made more productive by U.S. aid.*

*Food for Peace is helping youngsters throughout the world surv and combat malnutrition.*

## The Challenge

AID has grappled with the problem of food versus people over the years, but it became evident in the 1970s that new initiatives were needed. Noting that "the conditions which shaped our aid in the past have changed," Congress in 1973 called for a revision of U.S. economic aid policies. U.S. objectives for the poor nations were reordered to give priority to helping the impoverished majority improve their lot and to participate more effectively in the development process.

Accordingly, AID's restructured programs are primarily "people-oriented." Emphasis is placed on the following activities:

**Food and Nutrition**

To alleviate starvation, hunger and malnutrition, AID is assisting in a wide range of agricultural and food activities. Of prime importance are efforts to help the small farmers and rural poor. Examples:

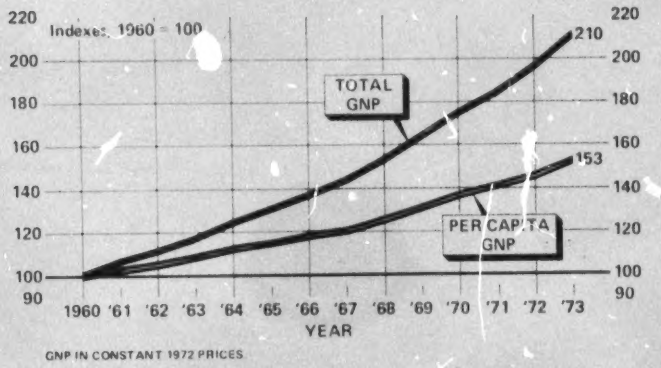
- More farmers in Asia are harvesting the improved high-yield varieties of wheat and rice, helped by AID programs. Since 1965, the land planted to high-yielding varieties in Asia and North Africa h increased from 145,000 to more than 80 million acr
- AID is supporting programs of voluntary agenci which are distributing to nearly 45 million childr around the world high-protein foods such as CSM, compound of corn, soybeans and milk.
- Agricultural training institutions have been tablished in developing countries through AID's spo sorship.
- Tropical research stations, assisted by AID a other nations and agencies, are developing new seeds a new technologies leading both to greater food produ tion and improved food quality.

• In Afghanistan's Helmand Valley, 363,000 acres have been brought under cultivation through irrigation projects.

• Tubewells and technical assistance provided by AID are furnishing water for more than 2.5 million acres in Pakistan, reversing the vast losses in arable land due to salinity.

• In a small village in Kenya, rice production increased three times when an AID technician obtained a pump and showed farmers how to irrigate their crops.

POPULATION GROWTH SLOWS PROGRESS




*Although the developing countries have made progress, uncontrolled population growth has limited real gains for individuals.*

*AID is helping the developing countries boost food production by making available high-yield grains.*

• In the Philippines, 1.7 million pre-school and school age children are receiving high-protein foods to help combat malnourishment.

• In Thailand, AID has supported research and nutritional planning programs by government agencies and the Institute of Food Research and Product to develop a variety of protein-rich prototype foods and begin distribution through commercial outlets, health clinics, nutrition centers and other institutions. Also in Thailand a $5 million loan is helping farmers improve and increase their agricultural production.

• As many as 5,000 small farmers in the southern African country of Swaziland will be able to purchase seed, fertilizer, insecticides, and farming implements with funds provided through a $750,000 AID loan agreement with that government.

• AID authorized a $12 million multi-purpose agricultural sector loan to stimulate agricultural production and increase small-farm income in the Dominican Republic.

• A loan of $10 million is aiding the development of small enterprises in remote rural areas of four Andean provinces in southern Peru, as well as in the zone hit by the 1970 earthquake which killed 70,000 persons.

• AID has made an initial grant of $255,000 to the newly-formed International Fertilizer Development Center (IFDC) in Muscle Shoals, Ala., for the planning stage of a major effort to discover new fertilizers and fertilizing methods for use in tropical less-developed nations.

**Population Planning and Health**

To help developing countries control population growth and mount effective programs to prevent and combat disease, AID provides funds for medicines, vaccines, equipment, services and training.

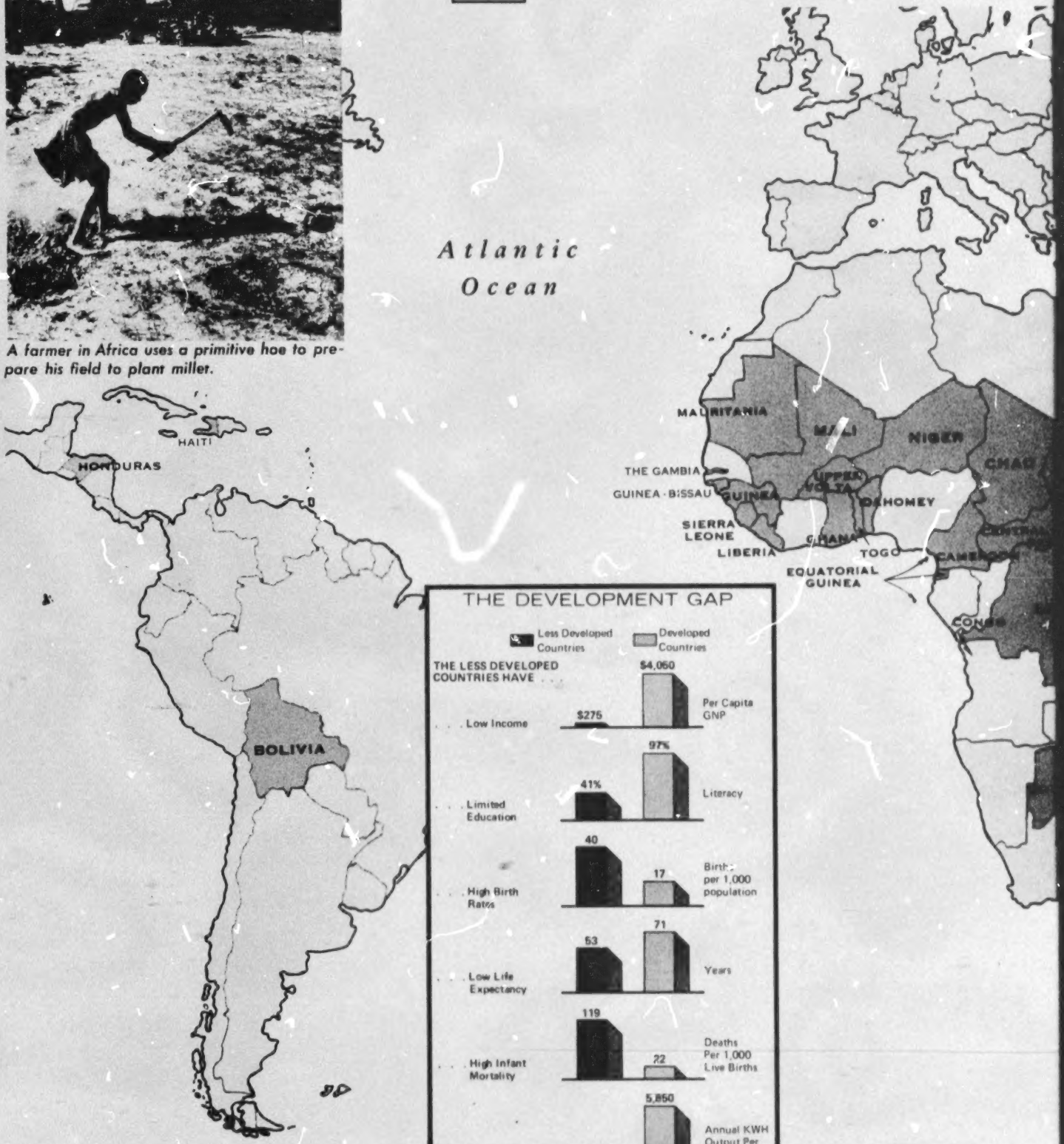
Many of AID's efforts in the population field are channeled through non-governmental agencies such as International Planned Parenthood Federation, the Pathfinder Fund and the Population Council. In addition, AID finances population research and training by a number of U.S. colleges and universities. AID's assistance is provided in each instance only at the request of the host government. Family planning policies and programs in the developing countries are determined by the governments themselves. AID helps these policies and programs with loans, grants, technical assistance, advisory services or whatever assistance is feasible and appropriate.

In 1965 only four developing countries had national family planning policies and programs. By the beginning of 1973, 34 developing countries had established such policies and programs. Twenty-one others were providing some support for family planning activities. For example, before 1966 no Central American country had started a major family planning effort. Today every Central American govern-

# The Least-Deve

Non-Communist Countries with Pe

A farmer in Africa uses a primitive hoe to prepare his field to plant millet.





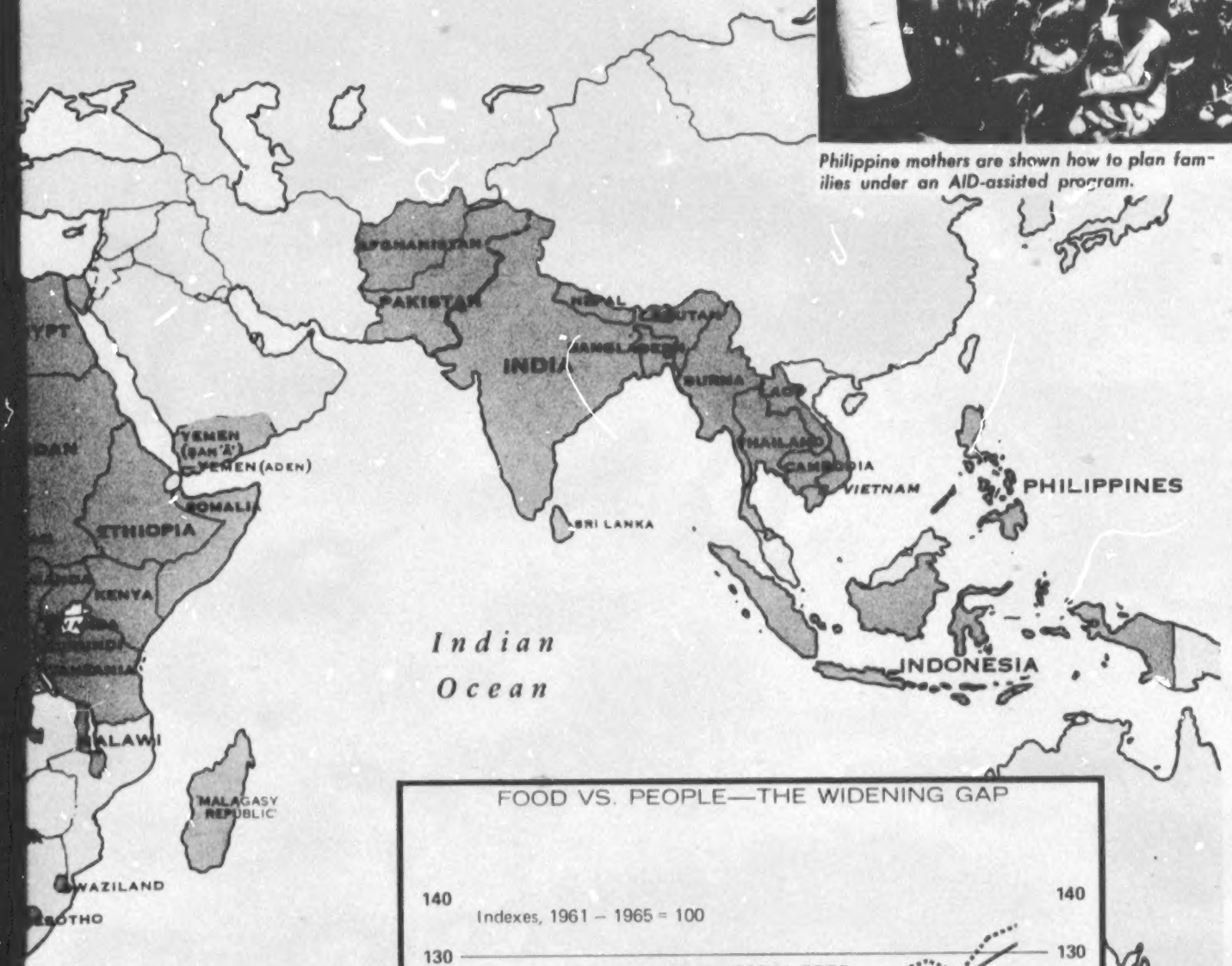


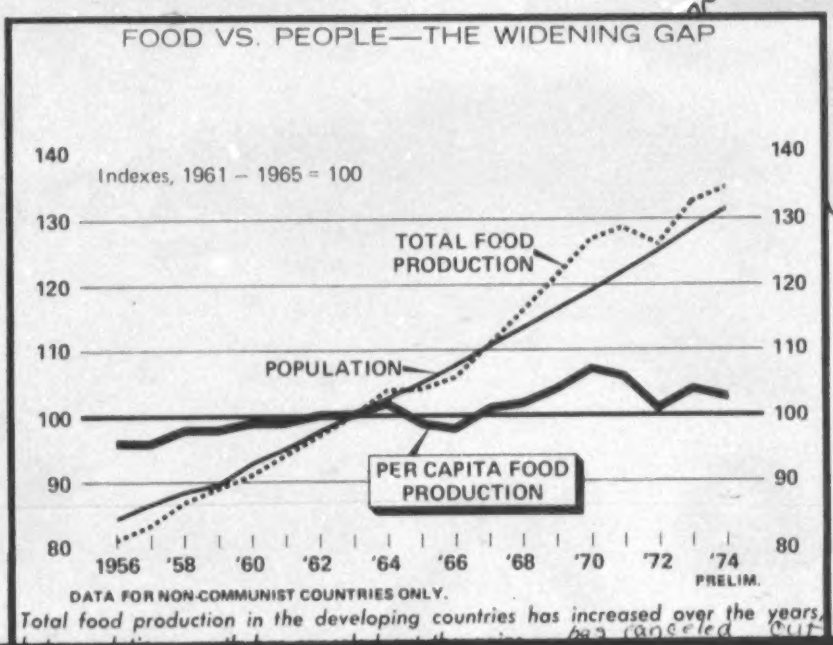
The differences between developed and developing countries are shown he

# oped Countries

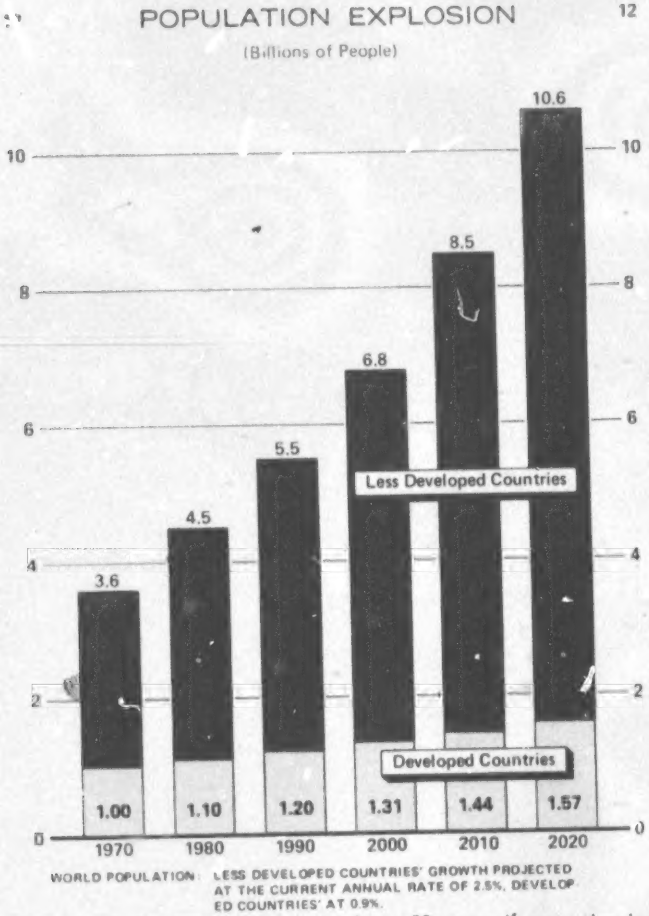
## Capita GNP of Less Than $275 per Year

*Philippine mothers are shown how to plan families under an AID-assisted program.*




*Total food production in the developing countries has increased over the years, but population grow has canceled out the gains.*




*World population will nearly triple in 50 years if present rates of growth are not checked.*

ment supports responsible parenthood and offers services within its national health programs. Some two-thirds of Central America's 16 million people now have some access to family planning.

Some other examples:

• In the Philippines in 1969, President Marcos initiated a population policy and program and with AID assistance in 1973, 1,700 family planning clinics were in operation.

• In Indonesia, 1½ million women now use oral contraceptives—triple the number of 1972.

• Thailand is encouraging the use of family planning information in literacy programs. Parts of the program are being adopted in Turkey, India, the Philippines and Malaysia.

Among the numerous health programs assisted by AID are those which have drastically reduced the menace of smallpox and measles. More than 155 million people in Central and West Africa have been vaccinated against smallpox: 28 million against measles.

• Some 1.7 billion persons were exposed to malaria before the U.S.-assisted global control program began in the 1960s. More than three-fourths of these people now live in regions where the disease has been virtually eliminated, or reduced. Populations totaling some 700 million have been freed of this killing and debilitating disease.

• Over the years AID has provided millions of doses of cholera vaccine to the World Health Organization to contain and control the disease in developing countries, while also channeling AID disaster relief directly to countries suffering pandemic outbreaks of cholera.

• In Monrovia, Liberia, AID has been instrumental in helping the Liberians to create a modern sewage system.

**Education and Human Resources**

In addition to established programs, AID is seeking new ways to reduce illiteracy, extend basic education and increase manpower-training skills related to development.

• AID has distributed more than 140 million textbooks in the developing countries and financed the construction of nearly 300,000 classrooms.

• In Honduras, AID has helped develop and distribute more than six million textbooks in reading, language, arts, mathematics, science and social science for the six primary grades, without cost to the students.

• El Salvador with AID assistance introduced public instruction by television as part of a comprehensive and innovative education reform program in that country.

• The University of Massachusetts received $750,000 to conduct research on methods of non-formal education in the developing countries.

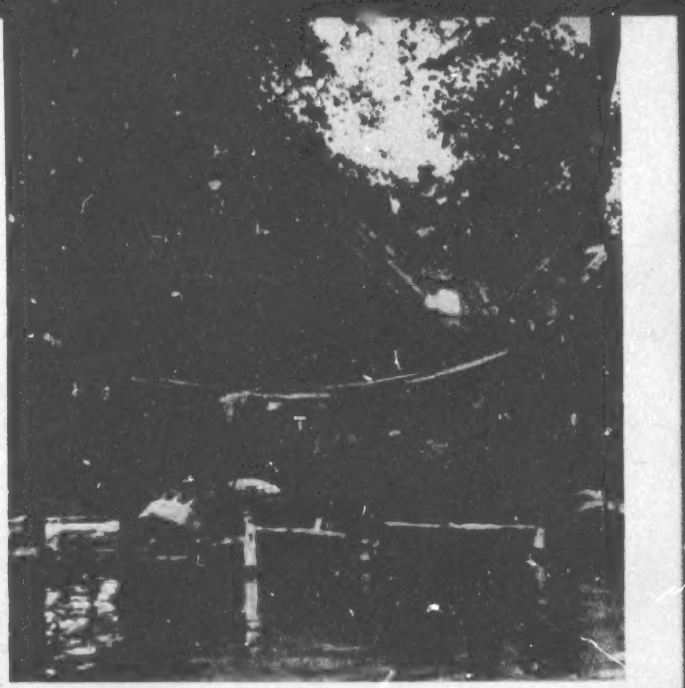
• In India, the University of Illinois, Ohio State, Kansas State, Tennessee, Missouri and Pennsylvania State helped create a total of eight service-oriented agricultural universities. Several of the new hybrid varieties of corn and wheat successfully grown in India were developed in the new agricultural universities, and in some cases these schools have assumed responsibility for the state agricultural research programs.

• The University of Botswana, Lesotho and Swaziland is unique in that it is supported by the governments of all three countries. With AID assistance there has been a major redirection in the university's orientation, and its enrollment has doubled to 800 students in the past two years.

**Disaster Relief**

There is no program in which the compassion of the American people is more visible than in the U.S. response to disasters which occur throughout the world each year. In one recent year more than 111,000 people died and 215 million others were affected as a result of disasters. Emergency relief of human suffering abroad, in the wake of floods, earthquakes, typhoons, epidemics and drought, continues to be an AID priority.

Since 1964, AID has responded to more than 420 foreign disasters and provided assistance valued at nearly $1.5 billion. AID administers the U.S. Government re-



*AID provides immediate assistance and coordinates the efforts of other agencies in the event of disasters and emergencies, such as floods that have plagued Pakistan. Better and faster ways of providing relief are constantly under study.*

sponse, calling on the Department of Defense, Department of Health, Education and Welfare, and other federal agencies to assist. This aid has taken many forms: allocations of Food for Peace, airlifts, airborne search and rescue teams, medical, technical and scientific staff, medical supplies, tents, cots, blankets, heavy equipment and hand tools and cash donations for local purchases.

Some recent major disasters:

• Floods of unprecedented magnitude ravaged Pakistan's two most populous provinces—Punjab and Sind—in August and September 1973. The floods killed nearly 500 persons, affected nearly five million others, destroyed over 900,000 homes and inundated over ten million acres of land causing extensive crop damage. U.S. Government emergency assistance valued at $4.5 million helped provide food, seeds, insecticides, military cargo planes and helicopters to deliver supplies and evacuate people, and medical and technical teams. Subsequently, AID provided 60,000 tons of wheat valued at $118 million and $50 million for fertilizer to increase the next

*U.S. Food for Peace is distributed in many strange ways, such as on a camel's back in Africa's Sahel.*

# Aid for Peace

At this point in our history, the United States is at peace. No American troops are fighting anywhere. Tension among the great powers has eased.

Two areas of the world, however, require special attention in order to maintain and strengthen the chances for peace. These are the Middle East and Indochina.

**The Middle East**

America has a vital stake in a lasting Middle East settlement. Our traditional concern for the security of Israel, the need to strengthen our relations with the Arab states, the danger of great power confrontation which chronic Arab-Israel conflict creates, and the necessity for a cooperative approach to the energy problem are all facets of the American interest. In addition, there is the real need of the people in the Middle East for technological assistance to improve food production, combat disease and illiteracy, and control burgeoning population growth.

Peaceful development of the area will reduce the incentives to violence and conflict and deepen the interest of all the area's peoples in reconstruction and development.

In Egypt, U.S. funds will help in the reconstruction of the Suez Canal and Suez cities, in the financing of essential imports from the United States, improve food production and assist the Government in attacking other pressing economic and social problems.

Israel is purchasing sorely needed imports from the United States through financing provided by AID, thus helping to relieve rising economic pressures.

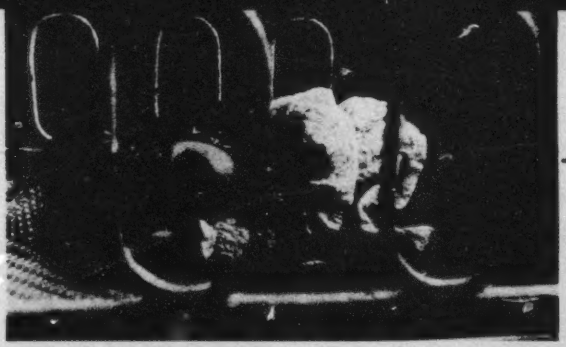
Jordan, with its moderate outlook, is an essential ingredient to a just and lasting resolution of the Arab-Israeli dispute. Special emphasis is planned for development projects in the Jordan River Valley.

**Indochina**

Despite many uncertainties, a foundation for relative stability has been established in most of Indochina, with a greatly reduced level of U.S. involvement and sharply reduced U.S. costs.

The Indochina economic program has three main elements:

—Helping to meet the needs of refugees, war victims and orphans whose lives have been disrupted by the war.



*AID is helping bring a better life to this youngster, a Vietnam war orphan.*

—Providing the essential imports needed for survival of their economies.

—Helping to recover from the physical damage of years of war and to begin the process of long-term development which will lead to eventual economic self-sufficiency.

Our immediate objective in Vietnam is to nurture Vietnam's capacity for self-support by:

—stimulating reconstruction and development;

—returning refugees to productive lives, and

—helping the Vietnamese to defend themselves.

Here are some examples of AID assistance:

- Improved seeds, fertilizer and training have enabled Vietnamese farmers to exceed the record pre-war rice production years. This was achieved on only 60 percent of the cropland used when the previous records were attained.
- At the same time AID technical assistance enabled the Government of Vietnam to carry out large-scale land reform putting 80 percent of all cropland into the hands of owner operators with much of the balance held communally by villages and religious organizations.
- About 160,000 disadvantaged Vietnamese children, including 17,000 orphans, are receiving improved nutrition, health, orphanage and day care from voluntary agencies to which AID granted $7.5 million last year.

In the Khmer Republic, the Cambodians are fighting for their survival against forces aided and advised by the North Vietnamese. The country's economy has been shattered and the level of combat is intense. The people have paid a heavy price. More than 450,000 refugees without homes, jobs or sufficient food are being aided by several voluntary agencies and international relief organizations to which AID has made grants for this purpose.

In Laos, a ceasefire has been achieved and the process of political accommodation begun. The country is shifting from war to rehabilitation and reconstruction. Assistance is needed to help the Laotians achieve stability and lay the basis for development. A significant example of assistance is an AID contract under which University of Hawaii advisors are helping the Government in Laos to develop a comprehensive multi-track, Lao-language secondary school system.

food crop and to make possible reconstruction of schools, clinics, drinking water facilities and rural roads. Assistance from other nations and international organizations was valued at approximately $69 million.

• Prolonged drought, which gradually developed in seven West African countries of Niger, Mali, Chad, Upper Volta, Mauritania, Senegal and the Gambia, has led to extensive debilitation of the countries' nomadic and rural populations. Approximately six million people have been affected, directly or indirectly as the result of substantial loss of livestock and crops. The U.S. Government, primarily through AID, has been the largest single donor of emergency drought assistance providing more than $215 million since 1973, including $120 million in food and its transport. The U.S. relief aid has been in the form of food, airlifts, animal feed, medicines, logistical support, medical supplies, drugs, emergency shelters and blankets. A major recovery and rehabilitation program has been launched and longer-term efforts have begun to deter the effects of future droughts and restore self-sufficiency to the affected populations.

• AID shipped 8,000 tons of Civil Preparedness survival biscuits to flood-stricken Bangladesh in September 1974. In that same month a vicious hurricane struck Honduras, killing several thousand people and causing hundreds of millions of dollars in damage to crops, homes, roads, and buildings. Within hours AID rushed relief supplies from its disaster relief stockpile at the U.S. Army Southern Command Headquarters in Panama; arranged for and financed U.S. military airlift, and rescue aircraft and personnel.

**Food for Peace**

Under Public Law 480, U.S. food may be sold on a long-term credit basis (Title I) or donated to meet emergency or development purposes (Title II).

The U.S. Department of Agriculture administers the sales agreements. The purchasing government may sell the food in its domestic markets and, with AID authority, use the proceeds for development purposes. Proceeds may be used to finance measures aimed at increasing the recipient country's food production, agricultural research, storage and improved land and water management.

*A project aimed at helping the rural poor in the Philippines uses Food for Peace as wage payment.*

Under the donations program, AID administers the programs which provide food for disaster relief, other emergency purposes, and small-scale development projects. One of the development activities is Food for Work. Under such a project, people in a village or rural community may be partially paid in food for building roads, small dams, irrigation systems and similar local projects. In Upper Volta, for example, the farmers and villagers in a remote area are building a dam under a Food for Work project.

Child-feeding and school lunch programs also receive Food for Peace commodities under the donations provisions of Public Law 480. High-protein food blends are distributed by AID under the Title II donations program and are an important component in programs designed to fight malnutrition.

**Private and Voluntary Organizations**

AID is assisting private and voluntary groups undertake development projects in such areas as food production, nutrition. population planning, health and education.

These funds, subject to Congressional approval, supplement other AID support for private humanitarian programs including aid to refugees and the victims of natural disaster abroad.

The work of the private voluntary organizations is a valuable contribution to the development process, and AID is seeking to increase participation still further. AID supports these agencies through grants for specific programs, through allocations of Food for Peace and payment of shipping costs. Their flexibility and humanitarian objectives enable them to undertake assistance activities that a government agency might not be able to carry on effectively.

Examples of the innovative activities of the voluntary agencies:

• Church World Service, with AID assistance, is conducting a project to save the date palms in the drought-stricken Sahel, employing ladybugs to devour the white scale that has blighted the all-important trees.

• CARE and Catholic Relief Services, pioneers in Food for Peace programs, are feeding a total of 28 million people around the world.

• American ORT Federation is conducting a maternal and child health clinic in Niger.

• U.S. volunteers under the Medical Assistance Program (MAP) constructed 6,578 thatch-bamboo houses and repaired 3,499 others in Bangladesh.

• A grant of $500,000 has been made to AFRICARE, a non-profit U.S. organization, to finance rural development projects in Central and West Africa.

AID's Advisory Committee on Voluntary Foreign Aid examines and acts on the applications of voluntary agencies seeking registration with the U.S. Government for work overseas. As of June 30, 1974, 94 agencies were authorized.

### Cooperatives

The participation of the urban and rural poor in their countries' development is being encouraged by the support of cooperatives.

AID has assisted rural electric development efforts in 29 countries, surveying resources, organizing new cooperatives, and assisting old ones. In 1951, when India launched its first five-year plan, scarcely 3,700 villages were electrified. Today the number has risen to about 90,000, with about half a million villages still without electricity.

- An $18 million AID loan to the Philippines is being used to help finance rural electrification cooperatives to provide electric power for farmers and other rural people.
- In the highlands of Guatemala, AID support has helped four regional cooperatives with 220 substation units provide credit, marketing and supply services to nearly 11,000 Indian families. Production loans and improved farming methods are helping to boost family income.
- The Dominican Poultry Producers Cooperative Society in the Dominican Republic leased an obsolete feed mill which had been closed down. U.S. cooperatives provided assistance in putting the mill back in operation, using simple tools and scrap from oil drums, and trained the islanders to operate and maintain it.
- An $8.1 million loan is helping to develop the rural cooperative movement in Panama.

### Participant Training

Trained manpower is needed by the developing countries if they are to experience social, economic, and political progress. Every year, AID supports approximately 10,000 foreign nationals from the developing countries in training programs in the United States and elsewhere. These participants, as they are called, become the technicians and administrators who comprise the backbone of their countries' self-help efforts. More than 160,000 of these trainees are now working in their countries. They are cabinet ministers, members of legislative bodies, university presidents, deans and faculty members, rural health officers, agriculture technicians, labor leaders, engineers, teachers and government officials.

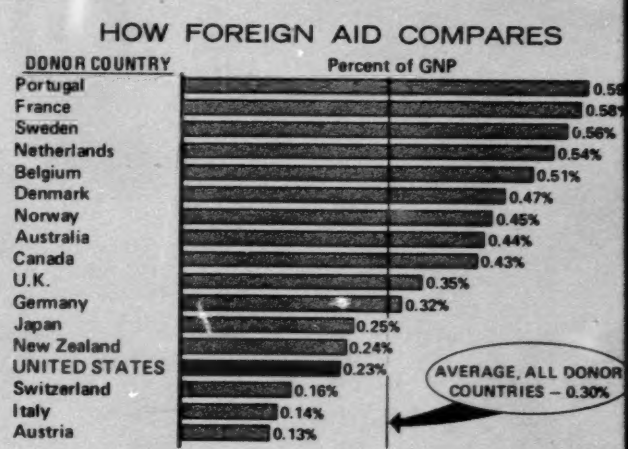
### International Assistance Coordination

In addition to bilateral assistance, the United States is a major, in most cases *the* major, contributor to a considerable number of international institutions which provide development aid. In administering U.S. bilateral assistance, AID and other responsible agencies coordinate closely not only with the international agencies

*Cooperatives are flourishing in the developing countries, as result of U.S. assistance.*

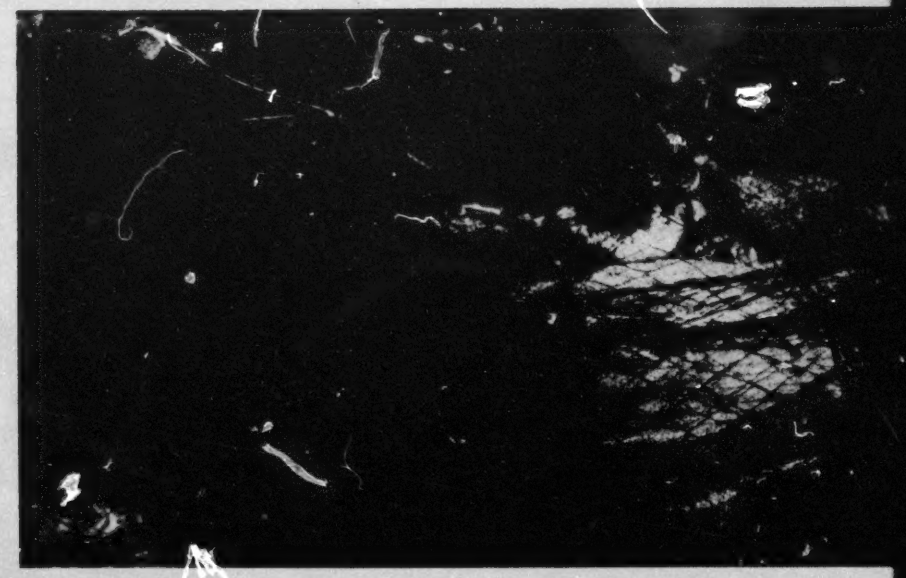
active in the field but also with the increasingly in portant bilateral assistance programs of other countri

The proportion of U.S. funding for development a sistance being provided through multilateral institutio has risen over the years to near 25 percent. The ma institutions are the international banks and the Unit Nations Development Program (UNDP) and other U agencies. The various international development ban are now lending at an annual rate exceeding $5 billio The largest is the World Bank and there are now thr important regional development banks—the Inter-Ame ican Development Bank, the Asian Development Ban and the African Development Bank. In each case th have an affiliate or fund to provide concessional assi ance as well as a substantial capital against which th can make loans at more nearly commercial rates. T UNDP alone is now providing technical assistance approximately $400 million per year.




*The United States ranks 14th among the non-communist develope countries providing aid.*

*A voluntary agency staff member examines a mother at a maternal care clinic in Africa.*



*AID-sponsored research has found ecologically-feasible methods to control vampire bats, which afflict much of Latin America's cattle.*

An especially important coordination mechanism for assistance to particular major developing countries where numerous aid donors are active is the consortium or consultative group. Such groups now exist for over 20 of the major developing countries. Most of them are chaired and staffed by the World Bank.

There are a number of organizations and institutions in which coordination of more general development policies is considered. A number of the key United Nations bodies, particularly the UN Committee on Trade and Development (UNCTAD) and the UN Economic and Social Council (ECOSOC) and on occasion the General Assembly, devote themselves to this problem. From time-to-time special bodies are set up to contribute. An important new one is the Joint Ministerial Committee of the Governors of the World Bank and International Monetary Fund (IMF) on the Transfer of Real Resources to the Developing Countries. The Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) was set up specifically as a body in which the major donors of development assistance could exchange information, coordinate their programs and agree on appropriate development assistance policies.

**AID and Other Government Agencies**

AID programs often are carried out with the cooperation of other U.S. government agencies. In many countries the Peace Corps participates with host country nationals in programs such as well digging, road building, rural development—which are planned and financed by AID. The National Bureau of Standards is testing typhoon-proof housing construction in the Philippines for AID. The U.S. Department of Agriculture, of course, is involved in numerous agricultural projects financed by AID. The Census Bureau has been instrumental in setting up modern census-taking facilities in developing countries under AID financing.

Some other agencies working with AID are Departments of Interior; Health, Education and Welfare, and the National Aeronautics and Space Administration.

**Research**

AID-supported research of worldwide significance is being carried on in many fields—notably in health, agriculture, and nutrition—and a number of equally promising results are anticipated in other ongoing research.

For example, under contract with AID:

- The Battelle Memorial Institute in Ohio is designing and developing a simple, inexpensive, long-life water pump that requires a minimum of maintenance and can be manufactured locally in developing countries.
- Purdue University scientists have discovered a gene in at least two varieties of sorghum which is responsible for their relatively high-protein quality and content. The researchers also have developed a chemically-induced high-protein mutant. Development of these strains could be of life-giving importance to more than 300 million inhabitants of Africa and Asia, where sorghum is a basic food.
- The Tennessee Valley Authority has developed a sulfur-coated urea fertilizer—SCU. It releases nitrogen at a slow, even rate—something like a "time pill"—nourishing the plant when it needs it most, thus avoiding waste.
- Effective and environmentally safe methods of controlling vampire bats, which cause an estimated $250 million annual loss to Latin American cattle farmers, have been developed and put into operation.

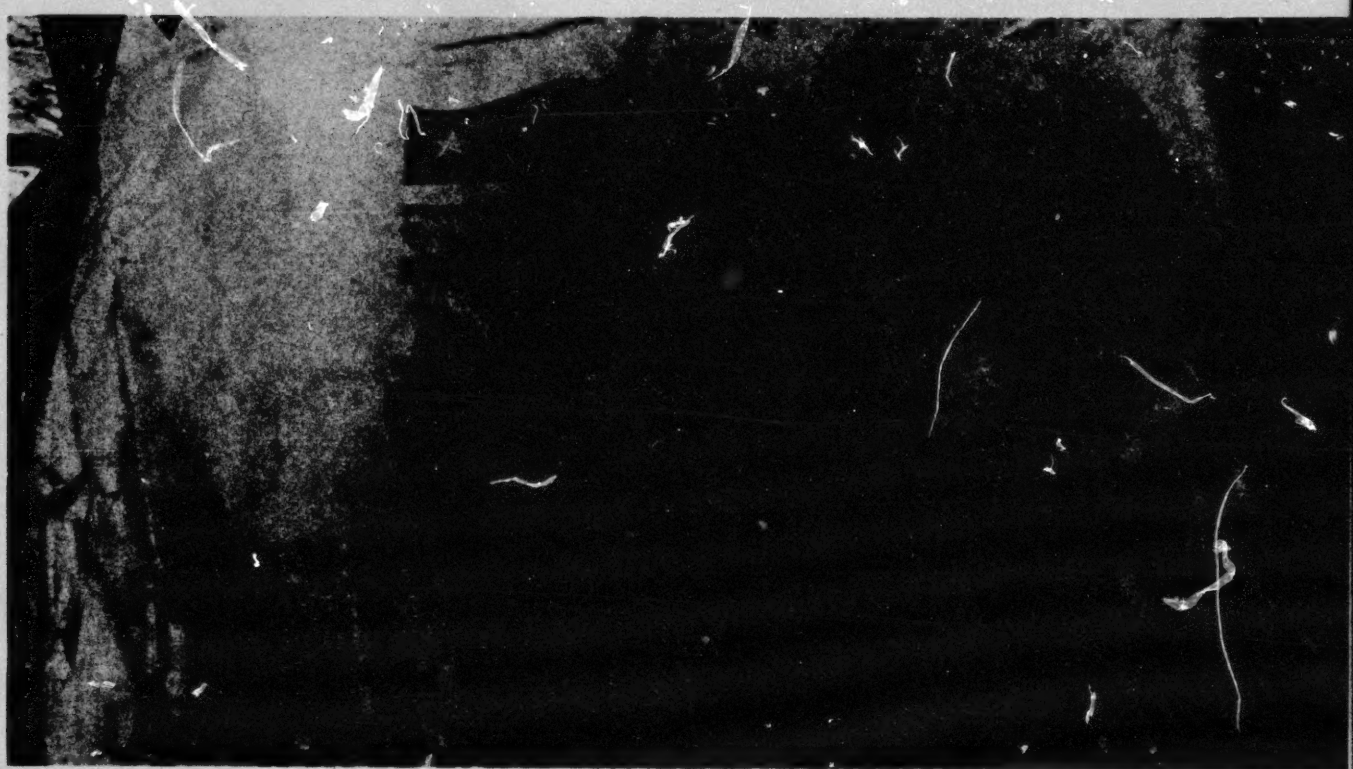
# *'Involved in Mankind'*

***Foreign assistance is a complex, long-range endeavor. Its accomplishments often are obscured, and its purposes frequently misunderstood. But according to AID Administrator Daniel Parker:***

***"There is no immediate alternative to foreign aid. We cannot stand aside in a world polluted with a despicable poverty. Such pollution is not only an obstacle to the search for world peace but an affront to basic human dignity.***

***"Everyone is a constituent of foreign aid. To paraphrase John Donne, who wrote 300 years ago, 'Any man's death diminishes me, because I am involved in mankind,' we say, 'Every man is enhanced by the gain of any man, because he is involved in mankind.'***

***"By helping others improve their lives, we improve our own."***





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